

8/8/88

A0400-1

The Aluminum Situation

DEPARTMENT OF ECONOMICS AND STATISTICS

JULY 1988

INDUSTRY SHIPMENTS INCREASE 0.9% THRU MAY 1988

Total industry net shipments for the first five months of 1988, reported at 6,679 million pounds, were up 0.9 percent from the five month 1987 total of 6,618 million pounds.

Domestic shipments of 6,097 million pounds were down 0.7 percent from the five month 1987 total of 6,140 million pounds.

Exports of ingot and mill products of 581 million pounds were up 21.6 percent from the first five months of 1987 while imports declined 5.3 percent for the same period.

	1988 5 Mos.	1987 5 Mos.	% Change
Mill Products	5,526	5,335	3.6
Ingot	1,153	1,283	-10.2
Total	6,679	6,618	0.9
Less Exports	581	478	21.6
Domestic Total	6,097	6,140	-0.7

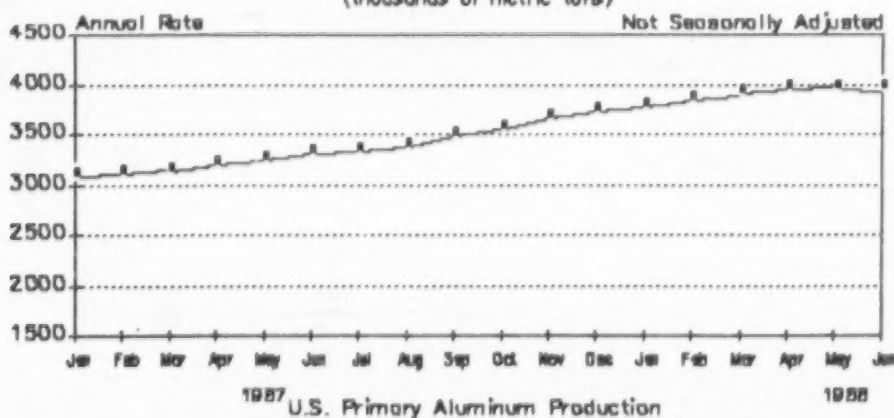
Figures in Millions of Pounds
Source: Bureau of the Census
U.S. Department of Commerce

* * * * *

PRIMARY PRODUCTION DAILY RATE 10,768 METRIC TONS

U.S. Primary aluminum production averaged 10,768 metric tons daily during June 1988. This compares with an average of 9,063 metric tons a day in June 1987 and 10,825 metric tons a day in May 1988. The annual rate of production in June 1988 was 3,941,222 metric tons compared with 3,307,934 metric tons in June 1987 and 3,961,785 metric tons in May 1988. Actual production in June 1988 was 323,051 metric tons.

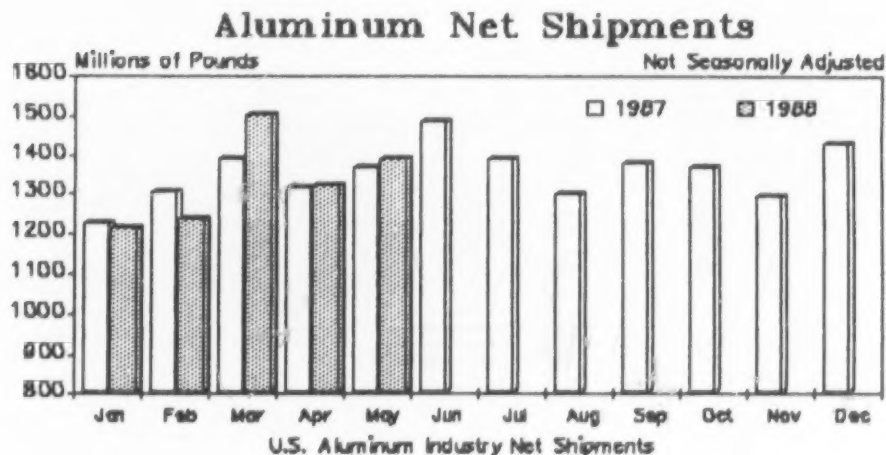
Primary Production (thousands of metric tons)



Aluminum Association total industry estimates are based on information reported by members, which is aggregated by the Association and then expanded to total industry data utilizing an expansion ratio that attempts to reflect the relationship of reporters to the total industry. While the Association believes that its statistical procedures and methods are reliable, it does not warrant the accuracy or completeness of the data. All data contained herein are subject to revision.

INDUSTRY NET SHIPMENTS INCREASE 0.9 PERCENT

Total industry net shipments for the first five months of 1988, reported at 6,679 million pounds, were up 0.9 percent from the five month 1987 total of 6,618 million pounds. Domestic shipments of 6,097 million pounds were down 0.7 percent from the five month 1987 total of 6,140 million pounds.

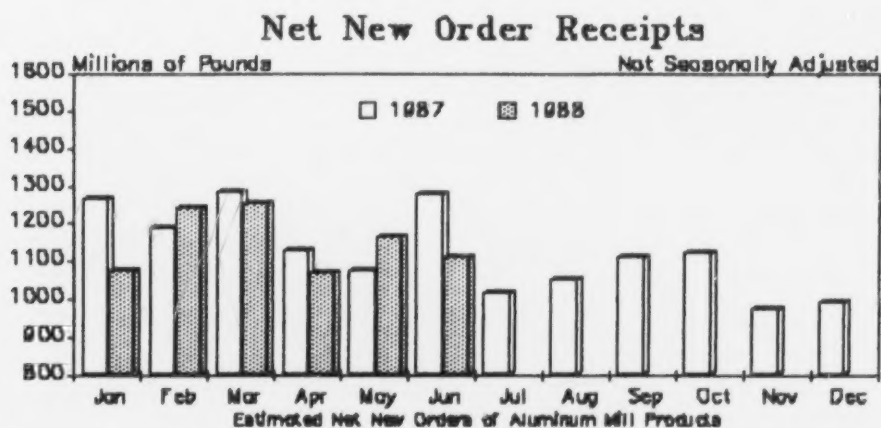
NET SHIPMENTS
(Millions of Pounds)

	1988 May	1987 May	1988 5 Mos.	1987 5 Mos.	% Change 1988 vs 1987
Sheet	608.9	594.7	2,904.2	2,858.4	1.6
Plate	27.1	21.5	124.2	113.5	9.5
Foil	79.4	69.6	392.0	359.9	8.9
Rod, Bar & Wire	23.8	29.8	137.1	149.7	-8.4
Elec. Conductor	59.2	52.9	284.9	250.4	13.8
Extruded Shapes, Tube	239.2	231.4	1,161.3	1,122.5	3.5
Powder & Paste	6.4	7.2	33.5	36.3	-7.8
Forgings & Impacts	13.6	13.2	73.6	64.3	14.5
Net Imports of Mill					
Products (Total) (a)	75.7	82.5	415.0	379.8	9.3
Total Mill Products	1,133.2	1,102.7	5,525.8	5,334.8	3.6
Ingot	259.0	264.9	1,153.0	1,283.4	-10.2
TOTAL INDUSTRY SHIPMENTS	1,392.2	1,367.6	6,678.8	6,618.2	0.9
Exports	157.9	85.8	581.4	478.1	21.6
TOTAL DOMESTIC SHIPMENTS	1,234.3	1,281.8	6,097.4	6,140.0	-0.7

Source: Bureau of the Census, U.S. Department of Commerce
(a) Not included in product data above.

NET NEW ORDER RECEIPTS DOWN 4.2 PERCENT

Estimated net new order receipts of aluminum mill products for six months of 1988, totaling 6,931 million pounds, dropped 4.2 percent versus the same period of 1987. Total net new orders of aluminum mill products for the month of June 1988 decreased to 1,116 million pounds, down 4.4 percent from the May 1988 total of 1,167 million pounds.



ORDER RECEIPTS

(Millions of Pounds)

	1988 June	1987 June	1988 6 Mos.	1987 6 Mos.	% Change 1988 vs 1987
Sheet & Plate, Other	400.4	466.3	2,415.6	2,825.1	-14.5
Can Stock	350.5	355.7	2,079.4	1,919.5	8.3
Foil	83.9	100.9	537.9	533.8	0.8
Bar, Rod & Wire	49.6	38.7	230.4	211.0	9.2
Electrical Conductor	55.1	50.1	395.3	327.1	20.8
Extruded Shapes & Tube	154.8	246.9	1,144.0	1,277.3	-10.4
Powder & Paste	11.0	9.4	48.8	59.2	-17.6
Forgings & Impacts	10.3	14.2	79.3	78.0	1.7
Total Mill Products	1,115.6	1,282.2	6,930.7	7,231.0	-4.2

Source: The Aluminum Association estimates total industry orders (including orders for imports) based on weekly reports by members of new orders (less cancellations) received. The Association expands these data to total industry utilizing an expansion ratio that attempts to reflect the relationship of reporters to the total industry. Weekly data are available on a subscription basis.

(a) Domestic only. Orders for imports of Can Stock are included in Sheet and Plate, Other.

PRODUCER INVENTORIES DECREASE 34 MILLION POUNDS

Producer inventories decreased in May 1988 to a total of 4,389 million pounds. This represents a 34 million pound decline from the April 1988 level of 4,423 million pounds.

Month-End Aluminum Producer Inventories By Type of Producer (Figures in Millions of Pounds)

	<u>Total</u>	<u>Ingot</u>	<u>Scrap</u>	<u>All Other</u>
Feb	4,401	1,522	547	2,332
Mar	4,388	1,467	567	2,354
Apr	4,423r	1,413r	614r	2,396r
May	4,389	1,351	603	2,435

Source: Bureau of the Census, U.S. Department of Commerce.
(r) Revised

CUSTOMER INVENTORIES REPORTED AT 35.9 DAYS

Respondents to the Association's Customer Inventory Survey reported that their Average Days Inventory as of May 30, 1988 was 35.9, up 1.4 percent from April 1988.

Month-End Aluminum Consumer Inventories (Average Number of Days)

Feb	37.5
Mar	36.5
Apr	35.4
May	35.9

Source: Aluminum Association - Customer Inventory Position Survey

U.S. Imports & Exports (Millions of Pounds)

	<u>1988 May</u>	<u>1987 May</u>	<u>1988 5 Mos.</u>	<u>1987 5 Mos.</u>	<u>% Change 1988 vs 1987</u>
Imports					
Mill Products	76.2	88.4	426.4	423.3	0.7
Ingot	202.3	229.0	1,052.9	1,162.2	-9.4
Total	278.5	317.4	1,479.3	1,585.5	-6.7
Scrap (+ dross)	46.1	39.7	191.1	181.5	5.3
Grand Total	324.6	357.1	1,670.4	1,767.0	-5.5
Exports					
Mill Products	82.0	52.2	345.1	258.8	33.3
Ingot	75.9	33.6	236.3	219.3	7.7
Total	157.9	85.8	581.4	478.1	21.6
Scrap	90.1	75.3	358.1	339.4	5.5
Grand Total	248.0	161.1	939.5	817.6	14.9
Net Imports	76.6	196.1	730.9	949.4	-23.0

Source: Bureau of the Census, U.S. Department of Commerce.